

Senate Study Bill 3132

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
JUDICIARY BILL BY
CHAIRPERSON KREIMAN)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act concerning claims for material or labor on certain public
2 and private property.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 5842XC 82
5 rh/nh/5

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1 1 Section 1. Section 572.32, subsection 1, Code 2007, is
1 2 amended to read as follows:
1 3 1. In a court action or other binding dispute resolution
1 4 to enforce a mechanic's lien, ~~if the plaintiff furnished labor~~
1 5 ~~or materials directly to the defendant~~, a prevailing plaintiff
1 6 who is the principal contractor may be awarded reasonable
1 7 attorney fees.

1 8 Sec. 2. Section 573.15, Code 2007, is amended by striking
1 9 the section and inserting in lieu thereof the following:

1 10 573.15 REQUIREMENT OF NOTIFICATION.

1 11 1. Notwithstanding other provisions of this chapter, and
1 12 in addition to all other requirements of this chapter, a
1 13 person furnishing labor or materials to a subcontractor shall
1 14 not be entitled to a claim under this chapter unless the
1 15 person furnishing labor or materials does all of the
1 16 following:

1 17 a. Notifies the principal contractor in writing with a
1 18 one-time notice containing the name, mailing address, and
1 19 telephone number of the person furnishing the labor or
1 20 materials, and the name of the subcontractor to whom the labor
1 21 or materials were furnished, within thirty days of first
1 22 furnishing labor or materials for which a claim may be made.
1 23 Additional labor or materials furnished by the same person to
1 24 the same subcontractor for use in the same construction
1 25 project shall be covered by this notice.

1 26 b. Supports the claim with a certified statement that the
1 27 principal contractor was notified in writing with a one-time
1 28 notice containing the name, mailing address, and telephone
1 29 number of the person furnishing the labor or materials, and
1 30 the name of the subcontractor to whom the labor or materials
1 31 were furnished, within thirty days after the labor or
1 32 materials were first furnished, pursuant to paragraph "a".

1 33 2. Notwithstanding other provisions of this chapter, a
1 34 principal contractor shall not be prohibited from requesting
1 35 information from a subcontractor or a person furnishing labor
2 1 or materials to a subcontractor regarding payments made or
2 2 payments to be made to a person furnishing labor or materials
2 3 to a subcontractor.

2 4 3. No part of any unpaid funds due a contractor shall be
2 5 retained as provided in this chapter because of the
2 6 commencement of any action by the contractor against the state
2 7 department of transportation under authority granted in
2 8 section 613.11.

EXPLANATION

2 10 This bill relates to claims for labor or materials on
2 11 certain public and private property.

2 12 The bill provides that in a court action or other finding
2 13 dispute resolution to enforce a mechanic's lien, the
2 14 prevailing plaintiff may be awarded reasonable attorney fees.

2 15 The bill strikes requirements relating to the retention of
2 16 unpaid funds due to a contractor on claims for material
2 17 furnished in a public improvement project and instead requires
2 18 that a person furnishing labor or materials to a subcontractor

2 19 on a public improvement project shall not be entitled to a
2 20 claim for labor or materials unless the person furnishing the
2 21 labor or materials first provides written notice to the
2 22 principal contractor and supports the claim with a certified
2 23 statement that the principal contractor was so notified. The
2 24 bill provides that a principal contractor shall not be
2 25 prohibited from requesting information from a subcontractor or
2 26 a person furnishing labor or materials to a subcontractor
2 27 regarding payments made or payments to be made to a person
2 28 furnishing labor or materials to a subcontractor. Such
2 29 requirements are similar to the notification requirements
2 30 relating to the filing of a mechanic's lien under Code chapter
2 31 572.

2 32 The bill retains current law that provides that no part of
2 33 any unpaid funds due to a contractor in a public improvement
2 34 project shall be retained because of the commencement of any
2 35 action by the contractor against the state department of
3 1 transportation pursuant to Code section 613.11.

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